

2009 DRAFTING REQUEST

Bill

Received: **03/26/2009**

Received By: **rnelson2**

Wanted: **As time permits**

Identical to LRB:

For: **Gary Hebl (608) 266-7678**

By/Representing: **Kate**

This file may be shown to any legislator: **NO**

Drafter: **rnelson2**

May Contact:

Addl. Drafters:

Subject: **Courts - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Hebl@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Amount of property exemptions

Instructions:

See attached 07-4041

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rnelson2 03/26/2009	jdyer 03/27/2009		_____			
/P1			rschluet 03/27/2009	_____	sbasford 03/27/2009		S&L
/1	rnelson2 06/26/2009	jdyer 06/30/2009	rschluet 06/30/2009	_____	sbasford 06/30/2009		S&L
/2	rnelson2	kfollett	mduchek	_____	sbasford	cduerst	

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	07/14/2009	07/15/2009	07/16/2009 _____		07/16/2009		08/05/2009

FE Sent For: "1/2" @ intro. 8/17/09

<END>

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/P1			rschluet 03/27/2009	_____	sbasford 03/27/2009		S&L
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/2	rnelson2	kfollett	mduchek	_____	sbasford		

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Pre Topic:

No specific pre topic given

Topic:

Amount of property exemptions

Instructions:

7/14 - Round numbers - 15,000, 12,000, 9,000
See attached 07-4041 Kate 50,000
Change homestead every 3 years - CPI

Drafting History:

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/P1			rschluet 03/27/2009	_____	sbasford 03/27/2009		S&L
/1	rnelson2 06/26/2009	jdye 06/30/2009	rschluet 06/30/2009	_____	sbasford 06/30/2009		

12/5f
7/15

ND
7/15

ND
7/16

FE Sent For:

<END>

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Extra Copies:

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Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Amount of property exemptions

Instructions:

See attached 07-4041

6/26 Kate - put in form for introduction

Drafting History:

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/?	rnelson2 03/26/2009	jdye 03/27/2009					
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/P1	1/30 jld	rschluet 03/27/2009			sbasford 03/27/2009		
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FE Sent For:

<END>

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Submit via email: YES

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Pre Topic:

No specific pre topic given

Increase by amt of in C. state
Feb 2008

Topic:

Amount of property exemptions

CPT index calculator from
BLS website 2007-2009 = 602

Instructions:

See attached 07-4041

Drafting History:

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/?

rnelson2

P1 3/27/08

Handwritten signature and initials, including a large 'X' and the word 'END' in a box.

FE Sent For:

2007 ASSEMBLY BILL 858

LPS-
P.W.F.
please
x

February 21, 2008 - Introduced by Representatives ALBERS, OWENS, SOLETSKI, MUSSER and HAHN, cosponsored by Senator DARLING. Referred to Committee on Ways and Means.

Gen

1 AN ACT *to renumber and amend* 815.18 (3) (b); *to amend* 815.18 (3) (d), 815.18
2 (3) (g), 815.18 (3) (i) 1. c., 815.20 (1) and (2), 815.21 (2), 815.21 (4) and 815.21
3 (5); and *to create* 815.18 (2) (bc), 815.18 (3) (b) 2. and 815.20 (3) of the statutes;
4 **relating to:** the homestead exemption and increases in the value of the
5 exemption for various property that is exempt from execution. ✓

Analysis by the Legislative Reference Bureau

Under current law, a debtor's interest in certain property and the value of certain property are exempt from execution, from the lien of every judgment, and from liability for the debtor's debts, allowing the debtor to keep that property rather than have the property taken to pay the amounts owed to creditors. This bill raises the value of some of the property that is exempt as shown by the following table:

Property	Current exempt value	Exempt value under the bill
Business equipment, inventory, farm products, and professional books	\$7,500	\$14,200 (x 1.01) 14,480
Consumer goods, including household furnishing, appliances, clothes, jewelry, sporting goods, and firearms	\$5,000	\$11,360 11,590
Motor vehicles	\$1,200	\$3,150 3,210
Payments for a personal injury	\$25,000	\$45,440 46,350

ASSEMBLY BILL 858

The bill also allows a person who does not take an exemption for business equipment, inventory, farm products, or professional books to take an exemption of any interest the debtor has in a closely held business, up to a maximum amount of \$14,200.

In addition, the bill requires the Department of Administration, beginning in January 2009, annually to adjust the exemption for the debtor's homestead, currently set at \$40,000, to reflect the annual change in the consumer price index for all urban consumers. Current law extends the homestead exemption to land owned by a husband and wife jointly or in common and allows either to claim the exemption or to divide the exemption between them. The bill allows the husband and wife to each claim a homestead exemption of not more than the adjusted \$40,000 amount.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

LPS insert and deletion component ✓

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 815.18 (2) (bc) of the statutes is created to read:

815.18 (2) (bc) "Closely held business" means a corporation whose stocks are held by not more than 25 individuals, a partnership of not more than 25 partners who are individuals, or a limited liability company of not more than 25 members who are individuals.

SECTION 2. 815.18 (3) (b) of the statutes is renumbered 815.18 (3) (b) 1. and amended to read:

815.18 (3) (b) 1. Equipment, inventory, farm products, and professional books used in the business of the debtor or the business of a dependent of the debtor, not to exceed \$7,500 ~~\$14,200~~ ^{\$14,480} in aggregate value.

SECTION 3. 815.18 (3) (b) 2. of the statutes is created to read:

815.18 (3) (b) 2. If the debtor does not claim an exemption under subd. 1., any interest of the debtor, not to exceed ~~\$14,200~~ ^{\$14,480} in aggregate value, in a closely held business that employs the debtor or in whose business the debtor is actively involved.

SECTION 4. 815.18 (3) (d) of the statutes is amended to read:

ASSEMBLY BILL 858

1 815.18 (3) (d) *Consumer goods*. Household goods and furnishings, wearing
2 apparel, keepsakes, jewelry and other articles of personal adornment, appliances,
3 books, musical instruments, firearms, sporting goods, animals, or other tangible
4 personal property held primarily for the personal, family or household use of the
5 debtor or a dependent of the debtor, not to exceed \$5,000 ~~\$11,360~~ ^{\$11,590} in aggregate value.

6 **SECTION 5.** 815.18 (3) (g) [✓] of the statutes is amended to read:

7 815.18 (3) (g) *Motor vehicles*. Motor vehicles not to exceed ~~\$1,200~~ ^{\$3,150} in
8 aggregate value. Any unused amount of the aggregate value from par. (d) may be
9 added to this exemption to increase the aggregate exempt value of motor vehicles
10 under this paragraph.

11 **SECTION 6.** 815.18 (3) (i) 1. c. [✓] of the statutes is amended to read:

12 815.18 (3) (i) 1. c. A payment, not to exceed ~~\$25,000~~ ^{\$45,440} ~~\$46,350 resulting from
13 personal bodily injury, including pain and suffering or compensation for actual
14 pecuniary loss, of the debtor or an individual of whom the debtor is a dependent.~~

15 **SECTION 7.** 815.20 (1) and (2) [✓] of the statutes are amended to read:

16 815.20 (1) An exempt homestead as defined in s. 990.01 (14) selected by a
17 resident owner and occupied by him or her shall be exempt from execution, from the
18 lien of every judgment, and from liability for the debts of the owner to the amount
19 of \$40,000, [✓] as adjusted under sub. (3), [✓] except mortgages, laborers', mechanics', [✓] and
20 purchase money liens and taxes and except as otherwise provided. The exemption
21 shall not be impaired by temporary removal with the intention to reoccupy the
22 premises as a homestead nor by the sale of the homestead, but shall extend to the
23 proceeds derived from the sale to an amount not exceeding \$40,000, [✓] as adjusted
24 under sub. (3), [✓] while held, with the intention to procure another homestead with the
25 proceeds, for 2 years. The exemption extends to land owned by husband and wife

ASSEMBLY BILL 858

SECTION 7

1 jointly or in common or as marital property, and ~~when they reside in the same~~
2 ~~household may be claimed by either or may be divided in any proportion between~~
3 ~~them, but the exemption may not exceed \$40,000 for the household. If the husband~~
4 ~~and wife fail to agree on the division of exemption, the exemption shall be divided~~
5 ~~between them by the court in which the first judgment was taken~~ each spouse may
6 claim a homestead exemption of not more than \$40,000, as adjusted under sub. (3).
7 The exemption extends to the interest therein of tenants in common, having a
8 homestead thereon with the consent of the cotenants, and to any estate less than a
9 fee.

10 (2) Any owner of an exempt homestead against whom a judgment has been
11 rendered and entered in the judgment and lien docket, and any heir, devisee, or
12 grantee of the owner, or any mortgagee of the homestead, may proceed under s.
13 806.04 for declaratory relief if the homestead is less than \$40,000, as adjusted under
14 sub. (3), in value and the owner of the judgment shall fail, for 10 days after demand,
15 to execute a recordable release of the homestead from the judgment owner's
16 judgment lien.

17 SECTION 8. 815.20 (3) of the statutes is created to read:

18 815.20 (3) The department of administration shall adjust the amount of the
19 homestead exemption under this section and s. 815.21 annually, beginning in
20 January 2009²⁰¹¹ or on the effective date of this subsection [revisor inserts date],
21 whichever is later, to reflect the annual change in the consumer price index for all
22 urban consumers, U.S. city average, as determined by the U.S. department of labor.
23 By March 1 of each year, the department of administration shall notify the director
24 of state courts of the adjusted amount of the homestead exemption, which shall apply
25 to all executions issued on or after that date.

ASSEMBLY BILL 858

1 **SECTION 9.** 815.21 (2)^x of the statutes is amended to read:

2 815.21 (2) If such plaintiff is dissatisfied with the quantity selected or the
3 estimate of the value thereof, the officer shall cause such lands to be surveyed,
4 beginning at a point to be designated by the owner and set off in compact form. After
5 the lands are surveyed and set off, if in the opinion of the plaintiff, the same shall be
6 of greater value than \$40,000, as adjusted under s. 815.20 (3), the officer may still
7 advertise and sell the premises so set off, and out of the proceeds of such sale pay to
8 the exempt homestead claimant the sum of \$40,000, as adjusted under s. 815.20 (3),
9 and apply the balance of the proceeds of such sale on the execution; but no sale shall
10 be made in the case last mentioned unless a greater sum than \$40,000, as adjusted
11 under s. 815.20 (3),[✓] is paid for said premises. The expenses of such survey and sale
12 shall be collected on the execution if the owner claimed as the owner's homestead a
13 greater quantity of land or land of greater value than the owner was entitled to;
14 otherwise such expenses shall be borne by the plaintiff.

15 **SECTION 10.** 815.21 (4)^x of the statutes is amended to read:

16 815.21 (4) A homestead so selected and set apart by such officer shall be the
17 exempt homestead of such person. The costs of such notice and survey shall be
18 collected upon the execution. A failure of the officer to set apart such homestead shall
19 affect such levy, only as to such homestead; and the failure of such person to select
20 that person's homestead shall not impair that person's right thereto, but only that
21 person's right to select the same when such selection is lawfully made by such officer.
22 After such homestead is thus set off by such officer, if, in the officer's opinion or in
23 the opinion of the plaintiff, the premises are of greater value than \$40,000, as
24 adjusted under s. 815.20 (3),[✓] the officer may sell the same as where the owner makes
25 the selection.

ASSEMBLY BILL 858

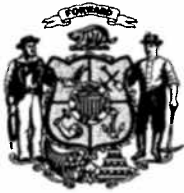
SECTION 11. 815.21 (5) of the statutes is amended to read:

815.21 (5) If the land claimed as an exempt homestead exceeds in value \$40,000, as adjusted under s. 815.20 (3), the officer shall not be bound to set off any portion thereof but may sell the same, unless the debtor shall make the debtor's selection of such a portion thereof as shall not exceed \$40,000, as adjusted under s. 815.20 (3), in value.

SECTION 12. Initial applicability.

(1) This act first applies to executions issued on the effective date of this subsection.✓

(END)



6/26
State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-2462/P1

RPN:jld:rs

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

2009 Bill

X

Reger

1 AN ACT *to renumber and amend* 815.18 (3) (b); *to amend* 815.18 (3) (d), 815.18
2 (3) (g), 815.18 (3) (i) 1. c., 815.20 (1) and (2), 815.21 (2), 815.21 (4) and 815.21
3 (5); and *to create* 815.18 (2) (bc), 815.18 (3) (b) 2. and 815.20 (3) of the statutes;
4 **relating to:** the homestead exemption and increases in the value of the
5 exemption for various property that is exempt from execution.

Analysis by the Legislative Reference Bureau

~~This is a preliminary draft. An analysis will be provided in a later version.~~

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

6 **SECTION 1.** 815.18 (2) (bc) of the statutes is created to read:
7 815.18 (2) (bc) "Closely held business" means a corporation whose stocks are
8 held by not more than 25 individuals, a partnership of not more than 25 partners who
9 are individuals, or a limited liability company of not more than 25 members who are
10 individuals.

1 **SECTION 2.** 815.18 (3) (b) of the statutes is renumbered 815.18 (3) (b) 1. and
2 amended to read:

3 815.18 (3) (b) 1. Equipment, inventory, farm products, and professional books
4 used in the business of the debtor or the business of a dependent of the debtor, not
5 to exceed ~~\$7,500~~ [✓] \$14,480 in aggregate value.

6 **SECTION 3.** 815.18 (3) (b) 2. of the statutes is created to read:

7 815.18 (3) (b) 2. If the debtor does not claim an exemption under subd. 1., any
8 interest of the debtor, not to exceed \$14,480 in aggregate value, in a closely held
9 business that employs the debtor or in whose business the debtor is actively involved.

10 **SECTION 4.** 815.18 (3) (d) of the statutes is amended to read:

11 815.18 (3) (d) *Consumer goods.* Household goods and furnishings, wearing
12 apparel, keepsakes, jewelry and other articles of personal adornment, appliances,
13 books, musical instruments, firearms, sporting goods, animals, or other tangible
14 personal property held primarily for the personal, family or household use of the
15 debtor or a dependent of the debtor, not to exceed ~~\$5,000~~ [✓] \$11,590 in aggregate value.

16 **SECTION 5.** 815.18 (3) (g) of the statutes is amended to read:

17 815.18 (3) (g) *Motor vehicles.* Motor vehicles not to exceed ~~\$1,200~~ [✓] \$3,210 in
18 aggregate value. Any unused amount of the aggregate value from par. (d) may be
19 added to this exemption to increase the aggregate exempt value of motor vehicles
20 under this paragraph.

21 **SECTION 6.** 815.18 (3) (i) 1. c. of the statutes is amended to read:

22 815.18 (3) (i) 1. c. A payment, not to exceed ~~\$25,000~~ [✓] \$46,350, resulting from
23 personal bodily injury, including pain and suffering or compensation for actual
24 pecuniary loss, of the debtor or an individual of whom the debtor is a dependent.

25 **SECTION 7.** 815.20 (1) and (2) of the statutes are amended to read:

1 815.20 (1) An exempt homestead as defined in s. 990.01 (14) selected by a
2 resident owner and occupied by him or her shall be exempt from execution, from the
3 lien of every judgment, and from liability for the debts of the owner to the amount
4 of \$40,000, as adjusted under sub. (3), except mortgages, laborers', mechanics', and
5 purchase money liens and taxes and except as otherwise provided. The exemption
6 shall not be impaired by temporary removal with the intention to reoccupy the
7 premises as a homestead nor by the sale of the homestead, but shall extend to the
8 proceeds derived from the sale to an amount not exceeding \$40,000, as adjusted
9 under sub. (3), while held, with the intention to procure another homestead with the
10 proceeds, for 2 years. The exemption extends to land owned by husband and wife
11 jointly or in common or as marital property, and ~~when they reside in the same~~
12 ~~household may be claimed by either or may be divided in any proportion between~~
13 ~~them, but the exemption may not exceed \$40,000 for the household. If the husband~~
14 ~~and wife fail to agree on the division of exemption, the exemption shall be divided~~
15 ~~between them by the court in which the first judgment was taken each spouse may~~
16 claim a homestead exemption of not more than \$40,000, as adjusted under sub. (3).
17 The exemption extends to the interest therein of tenants in common, having a
18 homestead thereon with the consent of the cotenants, and to any estate less than a
19 fee.

20 (2) Any owner of an exempt homestead against whom a judgment has been
21 rendered and entered in the judgment and lien docket, and any heir, devisee, or
22 grantee of the owner, or any mortgagee of the homestead, may proceed under s.
23 806.04 for declaratory relief if the homestead is less than \$40,000, as adjusted under
24 sub. (3), in value and the owner of the judgment shall fail, for 10 days after demand,

1 to execute a recordable release of the homestead from the judgment owner's
2 judgment lien.

3 **SECTION 8.** 815.20 (3) of the statutes is created to read:

4 815.20 (3) The department of administration shall adjust the amount of the
5 homestead exemption under this section and s. 815.21 annually, beginning in
6 January 2011, or on the effective date of this subsection [LRB inserts date],
7 whichever is later, to reflect the annual change in the consumer price index for all
8 urban consumers, U.S. city average, as determined by the U.S. department of labor.
9 By March 1 of each year, the department of administration shall notify the director
10 of state courts of the adjusted amount of the homestead exemption, which shall apply
11 to all executions issued on or after that date.

12 **SECTION 9.** 815.21 (2) of the statutes is amended to read:

13 815.21 (2) If such plaintiff is dissatisfied with the quantity selected or the
14 estimate of the value thereof, the officer shall cause such lands to be surveyed,
15 beginning at a point to be designated by the owner and set off in compact form. After
16 the lands are surveyed and set off, if in the opinion of the plaintiff, the same shall be
17 of greater value than \$40,000, as adjusted under s. 815.20 (3), the officer may still
18 advertise and sell the premises so set off, and out of the proceeds of such sale pay to
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20 and apply the balance of the proceeds of such sale on the execution; but no sale shall
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25 otherwise such expenses shall be borne by the plaintiff.

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815.21 (4) A homestead so selected and set apart by such officer shall be the exempt homestead of such person. The costs of such notice and survey shall be collected upon the execution. A failure of the officer to set apart such homestead shall affect such levy, only as to such homestead; and the failure of such person to select that person's homestead shall not impair that person's right thereto, but only that person's right to select the same when such selection is lawfully made by such officer. After such homestead is thus set off by such officer, if, in the officer's opinion or in the opinion of the plaintiff, the premises are of greater value than \$40,000, as adjusted under s. 815.20 (3), the officer may sell the same as where the owner makes the selection.

SECTION 11. 815.21 (5) of the statutes is amended to read:

815.21 (5) If the land claimed as an exempt homestead exceeds in value \$40,000, as adjusted under s. 815.20 (3), the officer shall not be bound to set off any portion thereof but may sell the same, unless the debtor shall make the debtor's selection of such a portion thereof as shall not exceed \$40,000, as adjusted under s. 815.20 (3), in value.

SECTION 12. Initial applicability.

(1) This act first applies to executions issued on the effective date of this subsection. ✓

(END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-4041/2

RPN:wlj:rs

2007 ASSEMBLY BILL 858

*Insert
a.c.*

February 21, 2008 - Introduced by Representatives ALBERS, OWENS, SOLETSKI, MUSSER and HAHN, cosponsored by Senator DARLING. Referred to Committee on Ways and Means.

1 **AN ACT to renumber and amend** 815.18 (3) (b); **to amend** 815.18 (3) (d), 815.18
2 (3) (g), 815.18 (3) (i) 1. c., 815.20 (1) and (2), 815.21 (2), 815.21 (4) and 815.21
3 (5); and **to create** 815.18 (2) (bc), 815.18 (3) (b) 2. and 815.20 (3) of the statutes;
4 **relating to:** the homestead exemption and increases in the value of the
5 exemption for various property that is exempt from execution.

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Motor vehicles✓	\$1,200	\$1,150 3,210
Payments for a personal injury✓	\$25,000	\$15,440 46,350

ins and
cont

ASSEMBLY BILL 858

The bill also allows a person who does not take an exemption for business equipment, inventory, farm products, or professional books to take an exemption of any interest the debtor has in a closely held business, up to a maximum amount of \$~~4,200~~ ^{14,480} ⁽²⁰¹¹⁾

↑ In addition, the bill requires the Department of Administration, beginning in January 2009, annually to adjust the exemption for the debtor's homestead, currently set at \$40,000, to reflect the annual change in the consumer price index for all urban consumers. Current law extends the homestead exemption to land owned by a husband and wife jointly or in common and allows either to claim the exemption or to divide the exemption between them. The bill allows the husband and wife to each claim a homestead exemption of not more than the adjusted \$40,000 amount.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

(end of insert)

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 815.18 (2) (bc) of the statutes is created to read:

2 815.18 (2) (bc) "Closely held business" means a corporation whose stocks are
3 held by not more than 25 individuals, a partnership of not more than 25 partners who
4 are individuals, or a limited liability company of not more than 25 members who are
5 individuals.

6 SECTION 2. 815.18 (3) (b) of the statutes is renumbered 815.18 (3) (b) 1. and
7 amended to read:

8 815.18 (3) (b) 1. Equipment, inventory, farm products, and professional books
9 used in the business of the debtor or the business of a dependent of the debtor, not
10 to exceed \$7,500 ~~\$14,200~~ in aggregate value.

11 SECTION 3. 815.18 (3) (b) 2. of the statutes is created to read:

12 815.18 (3) (b) 2. If the debtor does not claim an exemption under subd. 1., any
13 interest of the debtor, not to exceed \$14,200 in aggregate value, in a closely held
14 business that employs the debtor or in whose business the debtor is actively involved.

15 SECTION 4. 815.18 (3) (d) of the statutes is amended to read:



Wanted 7/17 AM
State of Wisconsin
2009 - 2010 LEGISLATURE

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LRB-2462/r

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2009 BILL

Gen

- 1 **AN ACT to renumber and amend** 815.18 (3) (b); **to amend** 815.18 (3) (d), 815.18
2 (3) (g), 815.18 (3) (i) 1. c., 815.20 (1) and (2), 815.21 (2), 815.21 (4) and 815.21
3 (5); and **to create** 815.18 (2) (bc), 815.18 (3) (b) 2. and 815.20 (3) of the statutes;
4 **relating to:** the homestead exemption and increases in the value of the
5 exemption for various property that is exempt from execution.

Analysis by the Legislative Reference Bureau

Under current law, a debtor's interest in certain property and the value of certain property are exempt from execution, from the lien of every judgment, and from liability for the debtor's debts, allowing the debtor to keep that property rather than have the property taken to pay the amounts owed to creditors. This bill raises the value of some of the property that is exempt as shown by the following table:

Property	Current exempt value	Exempt value under the bill
Business equipment, inventory, farm products, and professional books	\$7,500	\$14,400 15,000
Consumer goods, including household furnishing, appliances, clothes, jewelry, sporting goods, and firearms	\$5,000	\$11,500 12,000
Motor vehicles	\$1,200	\$3,210 4,000
Payments for a personal injury	\$25,000	\$46,850 50,000

BILL

three
for the previous 3-year period

The bill also allows a person who does not take an exemption for business equipment, inventory, farm products, or professional books to take an exemption of any interest the debtor has in a closely held business, up to a maximum amount of ~~\$14,480~~ 15,000

In addition, the bill requires the Department of Administration, beginning in January 2011, ~~annually~~ ^{every three years} to adjust the exemption for the debtor's homestead, currently set at \$40,000, to reflect the ~~annual~~ change in the consumer price index for all urban consumers. Current law extends the homestead exemption to land owned by a husband and wife jointly or in common and allows either to claim the exemption or to divide the exemption between them. The bill allows the husband and wife to each claim a homestead exemption of not more than the adjusted \$40,000 amount.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 815.18 (2) (bc) of the statutes is created to read:

815.18 (2) (bc) "Closely held business" means a corporation whose stocks are held by not more than 25 individuals, a partnership of not more than 25 partners who are individuals, or a limited liability company of not more than 25 members who are individuals.

SECTION 2. 815.18 (3) (b) of the statutes is renumbered 815.18 (3) (b) 1. and amended to read:

815.18 (3) (b) 1. Equipment, inventory, farm products, and professional books used in the business of the debtor or the business of a dependent of the debtor, not to exceed \$7,500 ~~\$14,480~~ ^{\$15,000} in aggregate value.

SECTION 3. 815.18 (3) (b) 2. of the statutes is created to read:

815.18 (3) (b) 2. If the debtor does not claim an exemption under subd. 1., any interest of the debtor, not to exceed ~~\$14,480~~ ^{\$15,000} in aggregate value, in a closely held business that employs the debtor or in whose business the debtor is actively involved.

SECTION 4. 815.18 (3) (d) of the statutes is amended to read:

BILL

1 815.18 (3) (d) *Consumer goods*. Household goods and furnishings, wearing
2 apparel, keepsakes, jewelry and other articles of personal adornment, appliances,
3 books, musical instruments, firearms, sporting goods, animals, or other tangible
4 personal property held primarily for the personal, family or household use of the
5 debtor or a dependent of the debtor, not to exceed ~~\$5,000~~ ⁰ ~~\$11,590~~ ^{\$12,000} in aggregate value.

6 **SECTION 5.** 815.18 (3) (g) of the statutes is amended to read:

7 815.18 (3) (g) *Motor vehicles*. Motor vehicles not to exceed ~~\$1,200~~ ⁰ ~~\$3,210~~ ^{\$4,000} in
8 aggregate value. Any unused amount of the aggregate value from par. (d) may be
9 added to this exemption to increase the aggregate exempt value of motor vehicles
10 under this paragraph.

11 **SECTION 6.** 815.18 (3) (i) 1. c. of the statutes is amended to read:

12 815.18 (3) (i) 1. c. A payment, not to exceed ~~\$25,000~~ ⁰ ~~\$46,350~~ ^{\$50,000}, resulting from
13 personal bodily injury, including pain and suffering or compensation for actual
14 pecuniary loss, of the debtor or an individual of whom the debtor is a dependent.

15 **SECTION 7.** 815.20 (1) and (2) of the statutes are amended to read:

16 815.20 (1) An exempt homestead as defined in s. 990.01 (14) selected by a
17 resident owner and occupied by him or her shall be exempt from execution, from the
18 lien of every judgment, and from liability for the debts of the owner to the amount
19 of \$40,000, as adjusted under sub. (3), except mortgages, laborers', mechanics', and
20 purchase money liens and taxes and except as otherwise provided. The exemption
21 shall not be impaired by temporary removal with the intention to reoccupy the
22 premises as a homestead nor by the sale of the homestead, but shall extend to the
23 proceeds derived from the sale to an amount not exceeding \$40,000, as adjusted
24 under sub. (3), while held, with the intention to procure another homestead with the
25 proceeds, for 2 years. The exemption extends to land owned by husband and wife

BILL

SECTION 7

1 jointly or in common or as marital property, and ~~when they reside in the same~~
2 ~~household may be claimed by either or may be divided in any proportion between~~
3 ~~them, but the exemption may not exceed \$40,000 for the household. If the husband~~
4 ~~and wife fail to agree on the division of exemption, the exemption shall be divided~~
5 ~~between them by the court in which the first judgment was taken~~ each spouse may
6 claim a homestead exemption of not more than \$40,000, as adjusted under sub. (3).
7 The exemption extends to the interest therein of tenants in common, having a
8 homestead thereon with the consent of the cotenants, and to any estate less than a
9 fee.

10 (2) Any owner of an exempt homestead against whom a judgment has been
11 rendered and entered in the judgment and lien docket, and any heir, devisee, or
12 grantee of the owner, or any mortgagee of the homestead, may proceed under s.
13 806.04 for declaratory relief if the homestead is less than \$40,000, as adjusted under
14 sub. (3), in value and the owner of the judgment shall fail, for 10 days after demand,
15 to execute a recordable release of the homestead from the judgment owner's
16 judgment lien.

17 SECTION 8. 815.20 (3) of the statutes is created to read:

18 815.20 (3) The department of administration shall adjust the amount of the
19 homestead exemption under this section and s. 815.21 ~~annually~~, beginning in
20 January 2011, or on the effective date of this subsection [LRB inserts date],
21 whichever is later, to reflect the ~~annual~~ change in the consumer price index for all
22 urban consumers, U.S. city average, as determined by the U.S. department of labor
23 By March 1 of ~~each year~~ 2011, and of ~~every third year~~ ^{for the previous 3-year period} thereafter
24 of state courts of the adjusted amount of the homestead exemption, which shall apply
25 to all executions issued on or after that date.

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BILL

1 **SECTION 9.** 815.21 (2) of the statutes is amended to read:

2 815.21 (2) If such plaintiff is dissatisfied with the quantity selected or the
3 estimate of the value thereof, the officer shall cause such lands to be surveyed,
4 beginning at a point to be designated by the owner and set off in compact form. After
5 the lands are surveyed and set off, if in the opinion of the plaintiff, the same shall be
6 of greater value than \$40,000, as adjusted under s. 815.20 (3), the officer may still
7 advertise and sell the premises so set off, and out of the proceeds of such sale pay to
8 the exempt homestead claimant the sum of \$40,000, as adjusted under s. 815.20 (3),
9 and apply the balance of the proceeds of such sale on the execution; but no sale shall
10 be made in the case last mentioned unless a greater sum than \$40,000, as adjusted
11 under s. 815.20 (3), is paid for said premises. The expenses of such survey and sale
12 shall be collected on the execution if the owner claimed as the owner's homestead a
13 greater quantity of land or land of greater value than the owner was entitled to;
14 otherwise such expenses shall be borne by the plaintiff.

15 **SECTION 10.** 815.21 (4) of the statutes is amended to read:

16 815.21 (4) A homestead so selected and set apart by such officer shall be the
17 exempt homestead of such person. The costs of such notice and survey shall be
18 collected upon the execution. A failure of the officer to set apart such homestead shall
19 affect such levy, only as to such homestead; and the failure of such person to select
20 that person's homestead shall not impair that person's right thereto, but only that
21 person's right to select the same when such selection is lawfully made by such officer.
22 After such homestead is thus set off by such officer, if, in the officer's opinion or in
23 the opinion of the plaintiff, the premises are of greater value than \$40,000, as
24 adjusted under s. 815.20 (3), the officer may sell the same as where the owner makes
25 the selection.

BILL

SECTION 11

SECTION 11. 815.21 (5) of the statutes is amended to read:

815.21 (5) If the land claimed as an exempt homestead exceeds in value \$40,000, as adjusted under s. 815.20 (3), the officer shall not be bound to set off any portion thereof but may sell the same, unless the debtor shall make the debtor's selection of such a portion thereof as shall not exceed \$40,000, as adjusted under s. 815.20 (3), in value.

SECTION 12. Initial applicability.

(1) This act first applies to executions issued on the effective date of this subsection.

(END)

Parisi, Lori

From: Battiato, Kate

Sent: Tuesday, August 04, 2009 3:30 PM

To: LRB.Legal

Subject: Draft Review: LRB 09-2462/2 Topic: Amount of property exemptions

Please Jacket LRB 09-2462/2 for the ASSEMBLY.

08/04/2009